

## Message Text

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ACTION EA-09

INFO OCT-01 EB-07 ISO-00 AGRE-00 EUR-12 L-03 AID-05  
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00  
XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01  
NSC-05 SS-15 STR-04 CEA-01 PA-01 PRS-01 /094 W  
-----071109Z 102015 /10

R 070901Z JAN 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4624

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PASS USDA/FAS, MC CONNELL, SUGAR AND TROPICAL PRODUCTS, FCA

E.O. 11652: N/A

TAGS: EAGR, RP

SUBJECT: SUGAR: "WE ARE BABES IN THE WOODS"

1. AS THE SERIOUSNESS OF THE SUGAR SITUATION BEGINS TO  
SINK INTO THE PUBLIC CONSCIOUSNESS, CRITICS OF THE  
PHILIPPINE NATIONAL BANK HAVE BECOME BOLDER AND MORE  
EXPLICIT IN THEIR CRITICISM OF THE POLICY OF WITHHOLDING  
SUGAR FROM THE MARKET WHICH HAS RESULTED IN AN INVENTORY  
OF 1.5 MILLION TONS, EQUIVALENT TO MORE THAN ONE YEAR'S  
EXPORTS.

2. BULLETIN TODAY, REPORTING ON AN INTERAGENCY AND PUBLIC  
MEETING CONVENED JANUARY 5 BY SECRETARY BLAS OPLE, PRINTED  
AN ARTICLE UNDER THE BYLINE OF ROMEO PAJARILLO WHICH WAS  
ENTITLED "PNB WASHES ITS HANDS OF 1974 SUGAR INDUSTRY  
FIASCO." THE ARTICLE DOCUMENTED PNB'S INEXPERIENCE AND  
FAILURE TO SELL PHILIPPINE SUGAR IN 1974.

3. BITINGLY AND POINTEDLY, THE ARTICLE STATED -- "THE  
SUGAR PRICE SOARED TO 65 CENTS A POUND IN THAT YEAR (1974)

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BUT THE PNB TRADERS ALLEGEDLY SAT IN THEIR SWIVEL SHAIRS  
AND HELD BACK UNTIL A MUCH-AWAITED TELEX REPORT ANNOUNDED  
(SIC) A PRICE CLIMB TO \$1. THE REPORT NEVER CAME AND, LIKE  
THE ZERO PLANES OF WORLD WAR II, THE PRICE NOSE-DIVED TILL  
IT NOW FLOATS AT BETWEEN 7 AND 8 CENTS."

3. THE SAME ISSUE OF BULLETIN TODAY CARRIED AN EDITORIAL

ENTITLED "BABE IN THE WOODS" WHICH PRAISED THE PRESIDENT'S DECISION IN EXEMPTING SUGAR LANDS FROM THE LAND REFORM PROGRAM SO THAT THE PLANTERS COULD SWITCH TO ALTERNATIVE CROPS SUCH AS CORN AND RICE WITHOUT FEAR OF LOOSING THEIR LANDS. ALTHOUGH TEMPERATE AND THOUGHTFUL, THE EDITORIAL RATIONALIZED THE CURRENT SITUATION ON THE BASIS THAT "WE ARE LIKE A BABE IN THE WOODS" BECAUSE OF "OUR LACK OF KNOWLEDGE ABOUT THE MARKET."

4. BUSINESS DAY REPORTED ON JANUARY 6 THE SAME MEETING WITH A STRAIGHT FACE AND HEADLINED ITS ARTICLE, "SUGAR SITUATION SOURS BUT GOVERNMENT TAKES STEPS TO EASE INDUSTRY'S PLIGHT."

5. ARTICLES BEING POUCHED EA/PHL.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, POLICIES, PRESS COMMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANILA00349  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Original Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** SUGAR: \"WE ARE BABES IN THE WOODS\"  
**TAGS:** EAGR, EIND, RP  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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